



NALTEA

The National Association of Land
Title Examiners and Abstractors

Message from the President

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Please visit our website at:

www.naltea.org

Pat Scott, President

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It was months ago when NALTEA board member Dave Pelligrinelli submitted the first draft of our position paper on the importance of assignments recorded in the public records. In a neat, concise piece, Dave set out our position on full and accurate records open to public view. In case anyone is wondering, we're for it.

The paper was withheld as new information continued to hit the mainstream press – information that would allow us to, not only state a general opinion in the wake of the revelations about MERS, but also to cite some of the problematic results of taking a portion of the public record private. At the same time, the continuous headlines announcing court verdicts in various states raised new questions with regard to the near-term future of the real estate industry.

While the landscape continues to change, it's time to make our position clear. In November, Ohio Rep. Marcy Kaptur introduced a bill into the United States Congress that would seek to address the issue, at least from the standpoint of federal support for mortgages registered in the MERS system. Since no action was taken in the last legislative session, the bill is effectively dead. If the issue is to be taken up by the current congress, it will need to be reintroduced with a new bill number.

Nonetheless, the NALTEA paper comments on the bill in support of the provisions that would serve to repair the public records and end federal support for the private tracking system. We did so with the hope that the bill may undergo a rewrite with greater input from industry participants with an interest in an accurate and efficient land title records system. We would like to see the independent abstractors play a significant part in the discussion. NALTEA will seek to be an effective vehicle through which the abstractors can influence the decisions our legislatures will soon face.

The NALTEA position is now in the process of discussion and approval by the board of directors. I would like to share it with our members, also, for your comments. We anticipate a series of additional papers related to the subject, papers that will more narrowly address the questions raised as new information emerges. With your participation, we can effectively convey our message to those whose decisions will affect our livelihoods for decades to come. We will be able to better develop a message that includes real effects seen in different regions around the country, rather than relying so heavily on the information provided by the national news media.

To request your advance copy of our current commentary on MERS, info@naltea.org. We will reply

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quickly with your copy. Once you have read the opinion, we would appreciate your comments. After a short period of time for revisions based on your comments and board discussion, we will post the paper to the NALTEA website.

We look forward to hearing from you on this and other issues that affect the independent abstractors and the field of land records research in general.

Board of Directors Update

Ed Gunther

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Hopefully everyone had a safe and joyous Holiday Season. This is the first newsletter of 2011 and we'll update everyone on the December 20th Board of Directors Meeting. On the conference call and final Board meeting of 2010 were Directors Pat Scott, Dave Pelligrinelli, Jill Kissell, Ed Gunther and Officers Doug Gallant, Wanda Steudel and Tamikio Veasley. Absent was Director Debi Merrill.

Prior minutes for the October and November meetings were disseminated to be reviewed and approved via email. Treasurer's reports for September, October and November were all reviewed and approved unanimously.

Wanda reported that four membership renewal letters had been returned. Two letters had the forwarding addresses provided and were resent. Attempts were made to reach the other two members to no avail. Everyone please remember, if you move, don't forget to update your address with NALTEA.

Committee Reports:

Membership Committee Update

NALTEA proudly welcomes our newest members:
Robert B. Holman of General Title Insurance Company
Chris L. Rupert
Mark J. Christianson of Shelby Title Search
Theofanis K. Sotirolou

NALTEA now has **107** active members.

Planning and Events

The final arrangements have been made for a January 17th Meet & Greet. This is the weekend of the Martin Luther King Holiday. The event will be in Rockford, IL and attract abstractors from Northern Illinois, Southern Wisconsin, and Eastern Iowa. The event will run from 9:00 am to 4:00 pm at the Clock Tower Resort and feature the NALTEA Certification Review Class. The event is free to those interested in meeting with NALTEA members and gathering information about NALTEA. The certification review class has limited seating and has a fee of \$50.00 per person not including the text book.

The Clock Tower Resort has extended special room rates for the weekend. Clock Tower has an indoor family water park called Co Co Key. Anyone interested could reserve a room for \$129.00 on Saturday night and \$109.00 on Sunday night and receive four free water park passes. If you're just interested in a room the rates are just \$99.00 per night. You will have to contact Jennifer Chapman at the resort to get these special prices.

Jill and Ed have several confirmations for the event already. Email blasts will be going out to abstractors within 150 miles of Rockford. We hope this is just the first of several successful events in 2011.

Sites for the 2011 annual conference were discussed. We currently have a proposal from the Green Valley Ranch and Resort in Las Vegas. The resort boasts that meetings in Las Vegas always draw more attendees than other destinations. The rates and fees would be slightly higher than previous conferences but everyone seemed to like the idea.

Other cities under discussion were Denver, Pittsburgh, Nashville and some possible cities in the Northeast. Debi Merrill is scheduling a Meet & Greet in the spring for Nashville. It was then suggested that we expand the Nashville Meet & Greet to a Mini Conference preferably in April.

Ethics

Pat advised that a recently filed ethics complaint had been withdrawn and no further action by the Board would be required. The Board requested Tamikio review the Ethics Rules. After review, the

Board would like Tamikio to make suggestions on how to smooth and clarify the Ethics Complaint process.

Membership

Reminder notices were sent to members to afford them a last chance to renew their membership. Wanda had received one check for renewal and another response that a check would be sent. Pat will have a list of delinquent members for the next meeting.

Public Relations

Dave has been working on the NALTEA LinkedIn group. He reports pretty good activity and thought the Board should discuss criteria and eligibility for acceptance in the NALTEA group. Everyone agreed that it was advisable to establish guidelines. Dave will be bringing his suggestions to the next Board meeting.

The NALTEA position paper on MERS has been submitted to the Board. Pat will be working with Dave on some changes this coming week and adding some additional information.

VLTA have reacted favorably in response to utilizing the NALTEA Certification Program. Dave will keep the Board informed as the process moves forward. It was suggested to promote NALTEA in Virginia with a Meet & Greet in late January or middle February.

Jill has received interest form a firm about training. The company is expanding their commercial division and her contact believes their sales staff and examiners would benefit greatly from the NALTEA Certification program. Jill's contact plans on taking the exam by the end of the year.

The Board discussed who is eligible to take the NALTEA Certification Review Class. The Board confirmed that all requirements for certification must be met before taking the actual certification test but anyone could take the class on its own for educational purposes.

New Business

A discussion about Membership Categories, Subcategories for Employee Certification and Cross Association Membership was introduced. The Board will discuss these ideas further in subsequent meetings in 2011.

Doug and Pat have entered into conversations with Chuck Proctor, President and Robert Holman, Secretary of NAILTA. NAILTA is the National Association of Independent Land Title Agents. It appears that NAILTA's interests are incredibly in line with NALTEA's on numerous issues. The Board agreed that an association membership swap had no down side. The Board approved the Membership swap and a Link Exchange.

NALTEA is looking for more member involvement and Dave offered up ideas on web casts both for seeking new members and CE credits. The Board will continue to develop both avenues of web casts.

The further development of the NALTEA web site to make it more interactive, interesting and informative was discussed. The Board had several ideas and suggestions to further develop the site. A NALTEA accomplishments page appears to be one of the easiest ideas to implement. This will be an ongoing process throughout 2011.

The Board concluded the meeting by wishing each other a safe and happy Holiday Season.

The organization welcomes input from the membership. You can contact the board members or the various committee chairpersons at the e-mail addresses found on the NALTEA website at www.naltea.org.

Find us online at Facebook, Twitter and LinkedIn!! Just search NALTEA and join the conversation!



Title search standards in 2011

Dave Pelligrinelli

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The 2000's decade brought significant changes in the manner in which many clients sought title reports. As the mortgage and real estate escrow industries changed procedures, the process of ordering title shifted to management companies or internal purchasing agents. Along with this change in order systems came more frequent requests for less than full title reports. The standard of 50 year searches became 10 year, then two-owner, and finally current owner searches became the normal and expected order type for abstractors.

During this time professional title abstractors and industry trade associations such as NALTEA warned clients that the security of transactions was put at risk by relying on thin title searches. From all accounts, end-users such as title insurers understood this risk and calculated their exposure as being less than the savings on search costs realized by using less in-depth reports.

Fast forward to 2009. As the robo-signing and mortgage crisis developed, some of the practices implemented by the real estate industry for reasons of streamlining and efficiency were recognized as the reasons for present-day problems. For the past 2 years, these problems have been significant, but lenders and insurers have kept them from causing catastrophic damage to their finances. The court decision this week in the Ibanez case may change that to some degree. If lenders and mortgage holders are forced to produce accurate and technically perfect documentation for all notes they foreclose on, the delays will create serious losses. In addition, if any of the defects invalidate the original creation of the securities which the mortgage assets went into, shareholder lawsuits and put-backs may create losses beyond expectations.

What does this have to do with title standards? As lenders realize consequences from one area of cost-cutting, they may review other practices to prevent side-effects from other "streamlining" from creating more problems. This creates an excellent opportunity for the abstractor community and NALTEA to communicate with their clients the importance of maintaining title search standards.

While end users are seeing first-hand the delayed problems from prior cost-cutting decisions they will be more receptive to suggestions to be secure in the future.

Abstractors can play a key role by having conversations with clients about their needs on each order, or in general. Simply mentioning the availability and price of a full search when a current owner is ordered might motivate a client to order what they really wanted in the first place. It reminds users of searches that full searches are not only available, but preferred. In fact, some clients might be ordering COS's because they presume that the default acceptance of these orders by abstractors means that we approve of them. After all, we are the title search experts, so if we think they are OK they must be good, right?

At the same time, the present real estate environment is an excellent opportunity to upgrade credentials such as the NALTEA Certified Abstractor Designation. Holders of this mark can remind clients that many of the issues that the industry is dealing with may have been prevented if expert title professionals were involved in the process in the early 2000's, rather than relying on less experienced searchers to provide critical searches and records. If you are already NCA certified, 2011 might be the year to become a Master Certified Abstractor.

The real estate and financial industries are facing challenges, and need experts to help extract them from current issues and prevent new problems in the future. Aren't professional title abstractors a good source of this expertise?

Editors Notes, Tidbits, & Tips

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Document Scanning and Storage

Are you maximizing your time and office space? Are you working in an environment that has more file cabinets than it does employees? The continued advances in scanning technology make it now, more than ever, a critical and efficient piece of equipment to be utilizing in your office. It speeds up work, allows for instant retrieval and with web applications and software components, allows for document management that your clients, as well as your company, will find far more useful than a box of hanging file folders.

Below is an article from www.ezinearticles.com, written by Amy Evert, highlighting the benefits of utilizing a scanner for documents and the subsequent file storage.

Scanning your documents and storing them on the hard disk can help you relieve your office of the many filing cabinets that fill up the valuable workspace. Most employers do not want to burden their employees with maintaining a physical storage of documents in the form of papers. This unnecessarily takes up space at your office and goes against the environmentally friendly trend of paperless offices. If you start scanning your documents into a computer you can utilize the portion of the office space being occupied by the filing cabinets for something else.

Manual storage of documents makes it difficult to retrieve older ones when you need them. This means rummaging in the storage area which consumes too much time. With the help of a scanner you can store all your documents in the computer and their retrieval is a few clicks away when you need them.

The ADF scanner is a relatively new category of scanners available in the market. It allows you to scan multiple documents unlike the normal flatbed scanner which can only scan a single document at one time. There is a

variety of models available in this category, with Canon, HP, and Fujitsu being some of the notable brands.

ADF stands for automatic document feeder, which essentially means that you do not have to flip the pages for every scan, or to place each page manually on the scanner. The common models of this category of scanners usually have a 50 page capacity document feeder. This can go up to more than a hundred pages for larger models. Generally the multiple page scanners promise a higher resolution so they have an edge over the common flatbed scanners in that area too.

The adf scanner saves a lot of time as all the documents can be quickly scanned into the computer. Therefore it helps in producing a backup of thousands of pages in one day. Most of these scanners can be shared over a network. Scanners that have automatic document feeders are highly suited for larger offices and busy workplaces while scanning generally is a useful tool for boosting your efficiency with managing documents.

If you have any questions or comments, please contact me. Don't let technology scare you, a little bit of research and question asking prior to a purchase will help you decide on the right piece of equipment for your office. The other unwritten benefit to storing your data as images is the cost reduction in Band-Aids, due to paper cuts!!!